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STARS MANUAL

BUDGETING - FINANCIAL AND REVENUE PLANS - EXPENDITURE AND REVENUE ANALYSIS

INTRODUCTION

Financial and revenue plans allow an agency to measure how their revenue and expenditure projections are progressing during the year at a detailed level. Use the Financial Plans for the expenditure side and the Revenue Plans for the revenue side.

Each agency determines the level they want to enter Financial and Revenue plans. Agencies can enter plans at the Object level, Summary Object level, or the Subobject level. The levels can even be co-mingled, e.g., Personnel at the Object level, Employee Development at the Summary Object level, Professional Services at the individual Subobject levels (Auditing, Accounting, Legal, etc.). The agency's management must decide how to do this depending on what they wish to see.

FINANCIAL PLANS

Your *agency management* sets *financial plans* based on how they project to spend the appropriation. Normally the total of the financial plans equals the total of the appropriation for the year.

Some agencies like to use last year's expenditure figures for their projections (possibly with slight modifications to the amounts). You do not have to enter financial plans to the subobject level. If you wish, you can enter them either at the higher summary object or object levels.

Example of Summary Object level:

| SUMMARY Object | Last Year's Expenditures | (times) DFM Budget Manual Inflationary Increase | New Financial Plan Amount for This Year |
|---------------------------------|---------------------------------|--------------------------------------------------------|------------------------------------------------|
| 5151 (Professional Services) | \$102,456.00 | 1.7% | \$104,197.75 (\$102,456.00 x 1.017) |

Example of Subobject level (split it to the *subobject* level for the same amount):

| SUBOBJECT | Last Year's Expenditures | (times) DFM Budget Manual Inflationary Increase | New Financial Plan Amount for This Year |
|----------------------------------------------------------------------|---------------------------------|--------------------------------------------------------|------------------------------------------------|
| 5160 (Accounting) | \$56,000.00 | 1.7% | \$56,952.00 (\$56,000.00 x 1.017) |
| 5166 (Legal) | \$46,456.00 | 1.7% | \$47,245.75 (\$46,456.00 x 1.017) |
| Total for all Subobjects under Summary Object 5151-Professional Svcs | | | \$104,197.75 |

Note that the total of all subobjects is the same as the total for the above summary object. Your agency will determine the level to enter the financial plans (Subobject, Summary Object, or Object). You may even go to the subobject detail level if you wish.

REVENUE PLANS

Your agency *management* sets *revenue plans* based on their projected revenues for the year. Some agencies use last year's revenue figures (maybe with slight modifications to the amounts) or enter completely different amounts based on projections.

Your agency should determine the basis upon which they make their revenue projections. Some categories may be more and some less depending on your fees, etc. than you expect to receive during the year. These revenue plans let your management see if they are reaching their projections.

Like the financial plans, you can enter revenue plans at any of the object levels. Your agency will determine the level to enter the revenue plans.

FINANCIAL OR REVENUE PLANS ELEMENTS AND TRANSACTION CODES

SETTING UP FINANCIAL AND REVENUE PLANS

Once your agency establishes budget units, funds, PCAs, and Indexes, you can set up financial and revenue plans on STARS. In order to start, you must know whether you want to set up an allocation and a financial plan in the same step or if you want to do separate transactions.

To help you to set up financial and revenue plans, [click here for details about using budget tables and forms](#).

The data on the Financial Plans and Revenue Plans post to the Operating File under General Ledger Account 5070 and 5085 at the detail you enter into the system. Unlike allocations, Financial and Revenue Plans do not have controls.

TRANSACTION CODES FOR FINANCIAL PLANS

In order to start entering financial plans, you must know the type of transaction codes you wish to enter. Some transaction codes post to both the Allocation and the Financial Plan to lessen the number of transactions you will have to enter.

The following is a list with a brief description of the transaction codes you can use for financial plans.

NOTE: 080 – The 2nd, 3rd and 4th allocations, the Gov's Holdback and the Brd of Examiners Reductions do not have a TC that posts to the financial plans. You will have to use the 080, which posts only to financial plans.

| <u>Transaction Code</u> | <u>Financial Plan Transaction Code Description</u> |
|-------------------------|----------------------------------------------------------------------|
| 080 | Record/Adjust an Expenditure Financial Plan |
| 081 | Adjust Alloc/Financial Plan Between Functions (Activity Transfer) |
| 082 | Adjust Alloc/Financial Plan Between Objects (Object Transfer) |
| 083 | Record Alloc/Financial Plan for Non-Cognizable Funds |
| 085 | Record an Exp Financial Plan & Annual Allocation |

TRANSACTION CODE FOR REVENUE PLANS

In order to start entering revenue plans, you must know the transaction code. There is only one transaction code for revenue plans. Except for the normal General Ledger File posting, revenue plans do not post to any other file but the Operating File.

NOTE: The revenue plans post to the operating file as a positive amount.

| <u>Transaction Code</u> | <u>Financial Plan Transaction Code Description</u> |
|-------------------------|----------------------------------------------------|
| 070 | Record/Adjust Estimated Revenues (revenue plan) |

FINANCIAL PLANS VS. APPROPRIATION AND ALLOCATION TYPES

In order to keep all of the records in balance, the Financial Plans usually match the total of the Allocations, which in turn match the Appropriation amounts. Changes to these files are at management discretion; however, it is harder to keep the Allocation and Financial Plans in balance unless a PCA or Index is used.

Financial Plans do not have field types like the Appropriation or Allocation Files do. All amounts combine into one amount in the CM0 field. This field is a total amount field on the Operating File record. It does not matter whether it is an original posting or an adjustment. You can see the individual adjustment amounts if you post the original financial plan and an adjustment in different months.

ONLINE OPERATING FILE FOR FINANCIAL AND REVENUE PLANS

STARS uses the Operating File to create the Financial and Revenue Plan reports. You can find the Operating File under **I** for Online File Inquiry and under column Record Inquiries **67** for Operating File (OF).

OPERATING FILE EXAMPLE OF A FINANCIAL PLAN

The following is an example of a financial plan posting to the Operating File. The revenue plans are the same with the exception of the General Ledger Account and they post to revenue objects instead of expenditure objects.

5070 is the General Ledger number for financial plans.

The financial plan posts to the lowest level of the Index or PCA structure. If the Index had a section or unit, the Financial Plan would post to that level.

Operating File RECORD Inquiry (67)

```

VERSION 3.1          STARS-OPERATING FILE RECORD INQUIRY          S067
AGENCY: 230 GL ACCT: 5070 PROJ/PH:          GRANT/PH:          INDEX: 2503
FAC:          TASK:          ORC:          PCA: 01000 D/I IND:          DIV: 20 BUR: 25 SEC:
UNIT:          FUND: 0481 FUND/DET: 05 BUDG UNIT: CCAC FUNC: 01 ACT:          PROG:
ELEM:          PCA-1:          LOC:
EXPEND OBJECT: 5000 SUM OBJECT: 5151 SUBOBJECT:          DET:          PCN:
REVENUE OBJECT:          SUM OBJECT:          SUBOBJECT:          DET:
SEC AGENCY:          MULTIPURPOSE:          DEPT: 92          BFY: 00          TRANS YR: 00
CREATE DATE: 990601          LAST PROCESS DATE: 990601
CURRENT          CMO          104,197.75- CM1          0.00          CM2          0.00
CURRENT          PY          0.00
MONTHLY          1          104,197.75- 2          0.00          3          0.00
BALANCES          4          0.00          5          0.00          6          0.00
          0.00          8          0.00          9          0.00
          0.00          11          0.00          12          0.00
          0.00
          CP1          104,197.75- CP2
,197.75- 2          0.00          3
          0.00          5          0.00          6
          0.00          8          0.00          9
          0.00          11          0.00          12
          0.00          14          0.00          INT
13
  
```

The normal balance for the Financial Plan is a negative. A negative BALANCE amount means you have entered this much of a financial plan. A reduction to your financial plan would show as a positive amount.

Financial Plans post to the Operating File at the level entered in the data entry process of the plan. In this example, you enter at the summary object level.

OPERATING FILE EXAMPLE OF A REVENUE PLAN

Like the financial plans, the revenue plans post to the Operating File at the object level used when entering the revenue plan transaction. However, revenue plans are different since their amounts post as a *positive* amount on the Operating File to General Ledger account 5085 instead of 5070.

OPERATING FILE DATA ELEMENTS FROM FINANCIAL AND REVENUE PLANS

| ELEMENT | DESCRIPTION |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GL ACCOUNTS | The GL (General Ledger) Account for the Financial and Revenue Plans are: G/L 5070 - Financial Plans G/L 5085 - Revenue Plans |
| PROGRAM AND ORGANIZATION STRUCTURE LEVEL | The Program Structure (Function, Activity, Program, Element, and PCA1) posts using the information on the PCA. The Organization Structure (Division, Bureau, Section, and Unit) posts using the information on the Index. In order to get financial or revenue plan reports at any of these levels, the PCA or Index need to be set up at the lowest level you may want to request reports. |
| FUND or FUND DETAIL | The fund and fund detail will post at the level showing on the transaction. |
| OBJECT LEVELS | The plans will post at the object level entered on the transaction. These can be at the Object level, Summary Object level, or Subobject level. |
| CURRENT BALANCES | The amount in field CM0 shows the total current balance of the financial plan. The monthly entries show which month a financial or revenue transaction posts. |

TYPES OF DATA ON THE FINANCIAL OR REVENUE PLANS

The financial and revenue plans usually show the object level down to the lowest posted level identified on the PCA or Index. The revenue plan is similar to the financial plan.

FINANCIAL PLAN DATA

The Financial Plan reports have the following data:

| | | | | | | | | | |
|-----------------------------------------------------------------------------|-----|-------|------------------------------------------------------------|-----------------------|--------------------------------------------|-------------|---------------------------------------------------------------------------------------|-------------|------------|
| ***** | | | | | | | | | |
| Exp | Exp | | Financial | -----Expenditure----- | | Outstanding | % | Available | (Memo) |
| Sobj | Dtl | Title | | Current | Year-To-Date | Encumbrance | Oblig | Expend Plan | Pre-Encumb |
| ***** | | | | | | | | | |
| Expenditure Subobjects & Title depending on the level you order the report. | | | Percentage of the financial plan not used. | | | | | | |
| Financial Plans entered by the agency. | | | Current Month and Year-to-Date daily expenditure payments. | | Encumbrance balances you have left to use. | | The amount balance of the financial plan not used. Does not include pre-encumbrances. | | |

REVENUE PLAN DATA

The Revenue Plan reports have the following data.

| | | | | | | | | | |
|-------------------------------------------------------------------------|-------|------|-----|-------------------------------------------------------------------------------------------------------------|---------|---------------------------------|--------------------------------------------------|---------------------------------|--------|
| ***** | | | | | | | | | |
| Rev | Rev | Rev | Rev | | Revenue | -----Realized Revenue Plan----- | | ----Unrealized Revenue Plan---- | |
| Obj | SmObj | Sobj | Dtl | Title | Plan | Current | Year-To-Date | Percent | Amount |
| ***** | | | | | | | | | |
| Revenue Subobjects & Title depending on the level you order the report. | | | | The amount balance of the revenue plan not received, and the percentage needed to meet the plan projection. | | | | | |
| Revenue Plans entered by the agency. | | | | Current Month and Year-to-Date daily revenue received. | | | Percentage of the revenue plan not yet received. | | |